January 16, 2025

Company Name:	HEALIOS K.K.
Representative:	Hardy TS Kagimoto, Chairman & CEO (TSE Growth Code: 4593)
Contact:	Richard Kincaid, Executive Officer CFO (TEL: 03-4590-8009)

Announcement of Letter of Intent with Cell Resources for the Production of Culture Supernatant

HEALIOS K.K. ("Healios") today announces that Healios and Cell Resources Co., Ltd. ("Cell Resources" https://cellresources.co.jp/, 100% invested by Alfresa Holdings Corporation) have entered into a letter of intent ("LOI") for a business alliance concerning the production of cell culture supernatant produced in the process of manufacturing regenerative medical products owned by Healios.

1. Outline of the Agreement

As announced in the "Joint Research Agreement with AND medical to Utilize Healios Technology and Culture Supernatant" (April 9, 2024), Healios has entered into a joint research agreement with AND medical group ("AND medical") for the main purpose of providing our regenerative medicine technology and raw materials for a new treatment method to be conducted by AND medical and the joint research is underway. Under the Joint Research Agreement, after the manufacturing method and manufacturing system for the raw materials have been established and the purpose of the Joint Research has been achieved, a supply agreement (the "Supply Agreement") will be concluded for the supply of the cell culture supernatant solution, which will serve as the raw material, from Healios to AND Medical.

Healios plans to establish a manufacturing facility for the production of cell culture supernatant to be provided under the Supply Agreement and to other potential customers. With respect to the start-up and subsequent operation of the manufacturing facility, we will discuss with Cell Resources, which is engaged in the cell raw material supply business and the cell processed product manufacturing business, the frame of the business alliance, role and cost sharing, etc., based on the LOI.

2. Future Outlook

This matter has no impact on our consolidated financial results of the fiscal year ending December 31, 2025 at this time. We will promptly announce any matters that should be disclosed in the future.

About Cell Resources Co., Ltd.:

Cell Resources was established in 2022 with the philosophy of "bringing the hope of regenerative medicine to all people. Through the provision of domestically produced cell source materials (master cells) and the production of both autologous and allogenic cell products, we aim to contribute to people in need of regenerative medicine by providing high-quality, stable cells.

Name of the company: Cell Resources Co., Ltd.
Location: Uchikanda, Chiyoda-ku, Tokyo

Representative: Kotaro Arita, Representative of Board of Directors
Major shareholder: 100% invested by Alfresa Holdings Corporation
https://cellresources.co.jp/

About Healios:
Healios K.K. is Japan's leading clinical stage biotechnology company harnessing the potential of stem cells for regenerative medicine. It aims to offer new therapies for patients suffering from diseases without effective treatment options. Healios is a pioneer in the development of regenerative medicines in Japan and owns proprietary, global platforms utilizing both somatic stem cells and iPS cells. In the somatic stem cell field, Healios is developing MultiStem® (HLCM051), a proprietary cell product comprised of multipotent adult progenitor cells ("MAPCs") derived from the bone marrow of healthy adult donors. MultiStem has been shown to exhibit powerful anti-inflammatory and immunomodulatory properties with applicability in a range of disease states, has been tested in hundreds of patients in late stage clinical trials, is manufactured consistently at scale in 3D bioreactors, and has demonstrated both safety and suggested efficacy in hundreds of patients across multiple indications. Healios is seeking to advance MultiStem on a global basis for ischemic stroke, ARDS, and trauma. In the iPSC regenerative medicine field, Healios' lead candidate, HLCN061, is a next generation NK cell treatment for solid tumors that has been functionally enhanced through gene-editing. These cells have demonstrated robust anti-tumor efficacy in animal models, benefit from a scalable 3D bioreactor manufacturing process, and are currently being prepared for initial human testing. The company has also established a proprietary, gene-edited "universal donor" induced pluripotent stem cell line to develop next generation regenerative treatments in immuno-oncology, ophthalmology, liver diseases, and other areas of severe unmet medical need. Healios was established in 2011 and has been listed on the Tokyo Stock Exchange since 2015 (TSE Growth: 4593).
https://www.healios.co.jp/en